



CHAPTER 8

HOUSING

February 2020

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The background of the page is a photograph of a residential property. A large, mature tree with vibrant pink cherry blossoms dominates the left side of the frame, its branches extending over a brick-paved walkway. The walkway leads towards a white house with a visible front door. To the right of the walkway, there is a green lawn and some lower-lying greenery. The overall scene is bright and sunny, with soft shadows cast on the path.

CHAPTER 8 | HOUSING

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8 | HOUSING

This chapter discusses the current condition of the housing sector in Southold Town and provides goals and objectives for the sector. Currently, housing in Southold Town consists mostly of single-family homes. According to the 2010 Census, there are 14,186 homes in Southold Town. Of those, only 10 percent are available for rent year-round, compared with 21 percent in Suffolk County overall (see **Table 8.1**). In addition, a large number—5,217, or 37 percent—of the housing stock consists of second homes for seasonal and occasional use. These factors combine to produce the area's high home prices and the lack of available year-round rentals. Nearly 58 percent of the homes in Southold Town are occupied by the owner or renter year-round.

Table 8.1 Existing Housing Inventory: 2010 U.S. Census Data

| | |
|--|---------------|
| Total Number of Housing Units | 14,186 |
| Year-round housing units—owner occupied | 6,847 |
| Year-round housing units—renter occupied | 1,423 |
| Seasonal housing units | 5,217 |

Background

Housing Costs and Affordability

Southold has long been a destination for second-homeowners and retirees due to its rural character and plentiful recreational opportunities. The buying power of the second and retirement home purchasers has been a major factor in driving up home prices. From 1990 to 2005, single-family homes in Southold tripled in price, as measured by median sales, far outstripping the increase in the median income for Southold residents. Low inventory, especially of homes on the lower end of the price range is also a problem and contributing to this low inventory is the business of vacation rentals, which is based on the buying of

homes expressly to rent them out for short-term vacations using websites such as AirBnB and VRBO.com. In addition, although home prices fell significantly during the Great Recession, the 2017 median sales price for a home was higher than ever before, pushing home ownership beyond the reach of many residents.



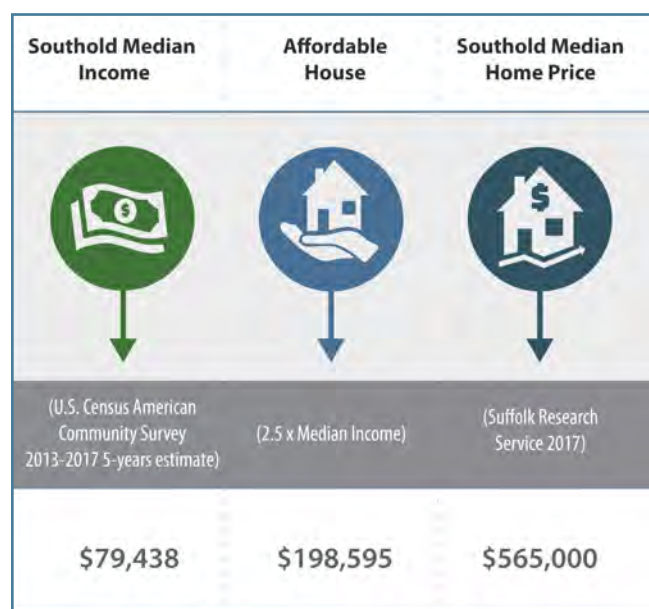
The federal Department of Housing and Urban Development (HUD) considers housing “unaffordable” if housing costs are greater than 30 percent of total household income. The American Community Survey 2012–2016 Five Year Estimate (ACS) found the following for Southold Town:

- Almost 50 percent of renters pay >30 percent of their income on housing
- Over 30 percent of homeowners pay >30 percent of their income on housing

These statistics show that residents are over-extending themselves to live in Southold. The median sales price of a home in 2017 reached \$565,000 (Suffolk Research Service Inc.), a figure that surpassed even the pre-recession high of \$525,000 in 2007 and which is the highest median sales price in the past 11 years.

According to the ACS, median income for all households in Southold Town was \$79,438. Generally, a household with that income could afford to pay no more than \$198,595 for a home (or carry a mortgage no greater than that amount). So half of the households in Southold—households earning less than the median—would qualify for homes under that \$198,595 ceiling, when very few homes on the market sell for less than \$300,000. Many Southold families could not afford their present home if they were to buy it at today's prices.

Figure 8.1 The Lack of Affordability



Housing Needs and Challenges

Safe and affordable housing is vital to a community's stability and growth. Increasing the amount of affordable housing to help sustain its year-round residents is a goal of the Town. Fewer than 10 percent of the housing units counted in the 2010 Census were year-round rentals. In addition to the scarcity of market-rate rental housing, the subsidized rental housing units administered by the North Fork Housing Alliance have remained stagnant through the years, despite the rising number of residents in need of rent subsidies to afford to remain in their communities.

Safe and affordable housing is also needed for the vulnerable citizens in our population. Seniors, people with special needs, people in recovery from substance abuse, and the homeless may need subsidized housing options. **Table 8.2** shows a variety of housing types for residents currently in need of these options.

Table 8.2 Other Housing Characteristics from Collected Data

| | |
|--|-----|
| Senior Housing – Cooperative Units <i>Peconic Landing 345 and Colonial Village 44</i> | 389 |
| Senior Housing – Condominium Units <i>Founders Village: 92, Pheasant Run: 60, not including Harvest Pointe 124 units approved & under construction</i> | 152 |
| Section 8 Number of Subsidies | 370 |
| Moderate-Income Subsidized Home Ownership <i>The Cottages at Mattituck</i> | 22 |
| Special-Needs Housing <i>Developmentally/mentally disabled</i> | 10 |
| Recovery House <i>"Sober home" serving up to 10 people</i> | 1 |
| Homeless Shelter <i>Provided in winter rotating the shelter among participating churches – serving up to 70 people per night</i> | 1 |

Changes to the Town Code have been made over the years as experience has demonstrated where improvements were needed. For example, the Affordable Housing Zoning District has a requirement that housing units constructed in that zone maintain a perpetual cap on the maximum sales price or rental price to keep them affordable. The first Affordable Housing Districts developed prior to this requirement did not remain affordable, and the houses were resold at market rates.

Additional changes included a housing registry created to help match people in need with affordable housing. To be eligible for the Town's housing registry, the total household income cannot exceed the median income for Nassau-Suffolk Counties (2018 Nassau-Suffolk median income for a family of four = \$116,700). When the registry was established, few applications came in until a developer/sponsor proposed building 22 units (The Cottages in Mattituck, partly funded by Suffolk County), priced at \$178,000 to \$214,000 for two-bedroom homes. When these units were advertised, more than 350 applications flooded in, and the registry list swelled to more than 400 applications on file, 90 percent of which were from Southold residents.

Although there were 400 people on the housing registry, many of them could not afford the down payment, nor could they qualify for a mortgage. This highlighted the large unmet need in the Town for year-round rental housing for people that were making too much for subsidies, but not enough to buy a home.

This includes apartments for households making between \$70,000 and \$116,700 (60-100 percent of the median income), or what the Town Code refers to as “moderate-income families.”

The need for rentals brought about a series of code changes to help spur homeowners and businesses to create accessory apartments, and to incentivize developers to create small apartment developments. These code changes were also in line with the community’s desire to retain community character. Homeowners are allowed to create accessory apartments in their homes and can rent them out at market rate. They can also create accessory apartments in existing accessory structures (e.g., converting a detached garage to an apartment) to rent to family members or to income-eligible tenants at affordable rates. The rules for apartments in commercial buildings were loosened, including allowing all-residential apartment buildings in commercial zones. The allowable density and minimum size of affordable apartment developments in the Affordable Housing District were adjusted to allow more apartments of smaller size.

The Town also maintains a Sanitary Flow Credit bank, which allows a developer to buy low-cost credits to add one or more affordable apartments to a commercial building where they would otherwise not be allowed to by the Suffolk County Department of Health. Another longstanding code requirement has been inclusionary zoning, which states that up to 20 percent of any new subdivision over five lots must be made affordable or the developer can choose to opt out by paying into the Town Housing Fund.

These changes have seen some limited success. Since 2004 there have been 27 accessory apartments approved by the Town’s Zoning Board of Appeals, and one new affordable apartment and one market rate apartment in a commercial building. Inclusionary zoning for subdivisions has brought in nearly a half a million dollars to the Housing Fund in 2017. And

changes to the housing registry process that made it simpler for future landlords have enabled other rental projects to move forward.



The Cottages at Mattituck

Availability of affordable housing for full-time residents, especially workers, is a serious problem. High housing costs will ultimately result in the ongoing decline in year-round residents, young people, and families in the area. The diminishing representation of year-round residents and young families will have an impact on our community overall, and more specifically on local employers, school enrollment, and staffing of local volunteer efforts such as the all-volunteer fire departments.

The quality and upkeep of housing is a related issue. Southold has largely been spared neighborhood blight, yet blighted housing conditions do occur. If such conditions are ignored, they can lead to lower property values and damage quality of life for neighbors. Overcrowding and other unsafe conditions are another form of neighborhood blight, which also endangers tenants.

Continued efforts to help meet the need for safe, attainable housing are necessary. The following are goals toward this end.

GOALS AND OBJECTIVES

Goal 1: Create Affordable Housing

The Town needs to review the adaptive reuse of existing housing stock and commercial structures, i.e., renovating them as a way to increase the housing inventory without harming the visual landscape.

Additionally, a zoning analysis could be conducted to allow for infill development in areas capable of absorbing more density such as the hamlet centers and HALOs, e.g., locating additional housing units into an existing neighborhood.

The need for additional housing must be met if Southold is to maintain a vibrant workforce large and varied enough to serve year-round residents and seasonal visitors. Though Southold, like most places, mainly relies on private enterprise to supply housing, the Town does have within its control a variety of ways to influence the development of housing. The following are necessary requirements that must be satisfied in order to create affordable housing in any significant number (more than five units):

- Support of the Town Board and Planning Board for the proposed concept (location of site, architectural design, proximity to hamlet centers, infrastructure, etc.)
- Availability of grants, based on income, from federal and state entities that subsidize homeownership for qualified buyers.
- Change of zoning designation by the Town Board to Affordable Housing District (AHD Zone) in appropriate areas to permit the higher density allowed by that district.
- Transfer of sanitary flow credits in accordance with Suffolk County Department of Health and Southold Town regulations.
- Assistance from Suffolk County Department of Workforce Housing toward the purchase of land or infrastructure improvements.
- Provision of public services (utilities) and infrastructure (water, drainage, roads) to support the development of housing.
- Ability of the sponsor or developer to make a subsidized project financially viable (tax abatements through New York State) while keeping the housing affordable and to achieve enough density (via rezoning) and subsidies to make it worthwhile.

In addition, the Town has implemented legislation and policies intended to increase affordable housing, including the following:

- “Inclusionary” zoning that requires new developments of five or more housing units to provide 20 percent of the potential number of housing units as affordable.
- A “buyout” option, which was created for developers who choose not to build affordable units within the new development allowing developers the ability to make a substantial payment to the Town’s Housing Fund. Each year the Town Board establishes an amount that developers must pay in lieu of building

the moderate-income family dwelling unit. The buyout amount is currently set at twice the amount of the median income of a family of four for Nassau/Suffolk County per unit required and not constructed.

- “Perpetual affordability” for affordable housing units that come up for resale. These restrictions limit how much the seller can ask to prevent the units from rising to market rate after subsidies have expired.
- Higher densities for affordable apartments in the Affordable Housing District.
- Amendments to the housing registry process to improve the ability of owners of affordable apartments to choose eligible tenants.
- Allowing apartment buildings to be located in commercial zones.



Mixed-use building in Mattituck

Objective 1.1

Provide diversified housing using existing buildings to help meet the needs of current year-round residents, including senior citizens, and local workers.

- A |** Encourage the development of accessory apartments in existing barns and garages that can be renovated into small apartments for singles or couples or that allow the homeowners (retirees, etc.) to downsize and live in the accessory apartment while renting their house to larger families.
- B |** Continue to work with the Family Service League to expand its HomeShare Long Island program, which provides affordable housing for both seniors and non-seniors, generally in the form of rooms within existing homes.

- C** | Establish loans and grants from the Town's Community Development Block Grant (CDBG) funding to convert larger homes from existing stock into units of affordable rental housing, especially in or near hamlet centers.
- D** | Encourage the development of diversified housing for artists and crafters in hamlet centers in combination with galleries, etc., drawing on Suffolk County Workforce Housing funding.
- E** | Consider using buyout funds from inclusionary zoning to partner with non-profits to acquire and rebuild substandard housing units. Renovated units could be sold to households on the Housing Registry with covenants and restrictions to ensure perpetual affordability. In addition, consider using buyout funds for purchase of homes that are short-sale and/or foreclosed to households on the Housing Registry.
- F** | Consider using the Town Housing Fund to set up a revolving grant assistance program to enable households on the Housing Registry to rehabilitate and/or buy homes on the existing market that would lower the purchase price to stimulate sales.
- **Responsible Parties:** Housing Advisory Commission, Southold Senior Services, Building Department, Zoning Board of Appeals, Planning Board, Architectural Review Committee, Community Development Block Grant
- **Possible Partnerships:** Suffolk County Economic Development and Workforce Housing, Suffolk County Office for Aging, Family Service League, Walsh Park Benevolent Association, Habitat for Humanity, Community Development Corporation of Long Island, Long Island Housing Partnership
- B** | Develop partnerships with non-profit housing developers to build age-restricted apartments using HUD's Section 202 funding.
- C** | Develop moderate-income home-ownership units with age restrictions through inclusionary zoning policies, change of zoning to AHD, and partnerships with housing providers.
- D** | Approach appropriate individuals within federal, state, and county governments to help the North Fork Housing Alliance increase its inventory of subsidized rental apartments and address the growing needs of lower-income residents.
- E** | Investigate the provision of tax incentives to prospective homeowners to mitigate the sanitary impact of new construction.
- F** | Explore the feasibility of identifying potential locations that would be appropriate for higher-density affordable housing that would be readily available to potential sponsors for development. Identification would be part of the process of public meetings with the Town Board, Planning Board, and Housing Advisory Commission.
- **Responsible Parties:** Housing Advisory Commission, Town Board, Planning Board, Zoning Board of Appeals
- **Possible Partnerships:** Suffolk County Economic Development and Workforce Housing, Community Development Corporation of Long Island, Long Island Housing Partnership, Housing Urban Development, New York State Homes and Community Renewal, Walsh Park Benevolent Association, private developers, local religious institutions

🎯 **Objective 1.2**

Encourage the development of new, diversified housing to help meet the needs of current year-round residents, including senior citizens, and local workers.

- A** | Develop units of moderate-income home ownership through the Town's inclusionary zoning policies, Suffolk County 72 H transfers (tax default properties), change of zoning to AHD, and partnerships with non-profit housing developers utilizing New York State HOME funding. This could include consideration of changing code to allow smaller sized homes than have been allowed (less than 850 square feet.)

🎯 **Goal 2: Promote Awareness About Housing Issues**

Many residents are unaware of the existing resources that might help them obtain funding to buy a home, fend off foreclosure, or maintain their home. Affordable housing (also known as "workforce housing") is often plagued by misconceptions and myths.

🎯 **Objective 2.1**

Develop a series of educational forums to inform the public about housing services, programs, and resources.

- A** | Teach skills to promote successful home ownership and landlord/tenant relations.

- B** | Work with banks and non-profit providers to inform homeowners about resources to abate mortgage foreclosures.
- C** | Highlight resources and programs that promote energy efficiency and weatherization.
- D** | Deepen public understanding of who needs affordable housing and why.
- E** | To promote conversion to affordable accessory apartments, create a one-page flyer that clearly explains how to create accessory apartments with information about additional tax assessments, maximum rental charges, selection of tenants, etc. This could include a checklist of what is needed along with offering the services of the building department to visit prospective sites to offer suggestions about feasibility of the concept. In addition, Town could host information and discussion sessions with the public.
- F** | Strictly enforce fair housing laws so that every person has equal access to housing without regard to race, color, religion, gender, sexual orientation, family or marital status, disability, or national origin.
- **Responsible Parties:** Housing Advisory Commission, Renewable Alternative Energy Committee
- **Possible Partnerships:** Community Development Corporation of Long Island, Long Island Housing Partnership, North Fork Housing Alliance, regional banks, local religious institutions

🎯 Objective 2.2

Produce printed materials and Internet resources to complement educational forums.

- A** | Create fliers and brochures and make them available at Town Clerk's office and other municipal offices.
- B** | Use the Town's website to post PDFs with information about housing resources.
- **Responsible Parties:** Housing Advisory Commission, Department of Information and Technology
- **Possible Partnerships:** Community Development Corporation of Long Island, Long Island Housing Partnership, North Fork Housing Alliance, Long Island Power Authority

🎯 Goal 3: Retain Residents in Existing Housing

Southold's population has a high percentage of senior citizens.



Cottages

The ACS estimates that over 37 percent of the year-round population is 60 years or older. This sizable segment of the population will require special forms of housing and assistance to make it possible for them to age in place and continue living in the Town.

🎯 Objective 3.1

Provide resources to help residents stay in their homes.

- A** | To maintain seniors in their homes, look into establishing naturally occurring retirement communities (NORCs) through grant funding for the Town's Senior Services. A NORC is a neighborhood or locality where many elderly live; it becomes eligible for various social services that make it easier for the elderly to remain in their homes.
- B** | Promote universal design elements in the building code to accommodate seniors aging in place and persons with physical disabilities. Such elements promote safety features and remove physical barriers that older people or the disabled cannot handle.
- C** | Provide education about services and resources that help with weatherization, energy efficiency, and home repair for households that qualify under income limits.
- D** | Mandate that all participants in the Town's affordable housing programs participate in homebuyer education classes from regional housing providers such as the Long Island Housing Partnership and the Community Development Corporation of Long Island.

- **Responsible Parties:** Housing Advisory Commission
- **Possible Partnerships:** Rebuild Together Long Island, Community Development Corporation of Long Island, Long Island Housing Partnership, North Fork Housing Alliance, Southold Town Human Services, local religious institutions

🎯 **Goal 4: Protect Quality of Life**

Protect quality of life for neighbors of neglected homes and blighted properties, and protect the safety of tenants in rentals.

🎯 **Objective 4.1**

Address the problems that result from blighted properties.

- A | Strengthen the staffing of code enforcement to deal with blighted housing.
- B | Develop a pilot program to rehabilitate units of blighted housing with loans and grants through the Town's CDBG funding.

🎯 **Objective 4.2**

Address the problems that result from tenant overcrowding (fire safety, parking, garbage, and noise) in unpermitted and/or unsafe structures.

- A | Create an outreach program to inform property owners of code as well as ways to address violations of properties to bring them up to code.
- B | Create a rental permit system to help ensure the safety of tenants.
- C | Strengthen staffing of code enforcement to address overcrowded housing.
- **Responsible Parties:** Town Board, Building Department and Code Enforcement Office, Community Development Block Grant Reviewing Committee
- **Possible Partnerships:** Suffolk County Economic Development and Workforce Housing's Office of Community Development

🎯 **Goal 5: Develop Best Practices in Housing**

For the Town to meet the housing needs of its residents, it must stay abreast of national legislation, policies, and programs that could provide fresh solutions for creating housing.

🎯 **Objective 5.1**

Continue to review and research policies and best practices elsewhere to find solutions to meet housing needs of the Town's residents.

🎯 **Objective 5.2**

Explore policy and legislative changes that could provide a greater inventory of affordable housing.

🎯 **Objective 5.3**

Seek grant funding for a pilot program to explore infrastructure improvements that would allow for the opportunity to develop very limited increased density such as apartments over storefronts in hamlet centers.

The infrastructure to be explored would include the newest technology in small package sewage treatment plants, which are much more compact, efficient, and limited in size and scope than traditional sewer systems.

🎯 **Objective 5.4**

Promote the integration of Leadership in Energy and Environmental Design (LEED) (or similar certification that is not as costly) and Energy Star building standards in affordable housing construction to promote occupant sustainability.

🎯 **Objective 5.5**

Examine the merits of creating a housing authority.

🎯 **Objective 5.6**

Encourage the creation of a local community land trust; a non-profit group that lowers the cost of housing by selling houses without the land.

They typically buy the land, develop homes on the land and sell those homes while retaining ownership of the land and assuming the associated costs of the land, thereby lowering the cost of the house.

- **Responsible Parties:** Housing Advisory Commission, Town Board, Town Attorney, Planning Board
- **Possible Partnerships:** Suffolk County Legislature, Suffolk County Health Department, Suffolk County Planning Department and Planning Commission, Community Development Corporation of Long Island, Long Island Housing Partnership